shall be undertaken unless the affected Employee is given benefits that are equal to or exceed the Maximum Benefit;

(f) Subject to sub-clause (e) above any restructuring (including any reduction) of the employee force of the Company shall be implemented in the manner recommended by the Board and in accordance with applicable laws and he Strategic Partner and Principal (s) shall ensure that the Company offers to the Employees, an option to voluntarily retire on terms that are not, in any manner less favourable than Maximum Benefit;

Maximum Benefit defined in Article 1.1 reads as "Maximum Benefit shall mean employee benefits which are the higher of (a) the terms of the voluntary retirement scheme as provided by the Department of Public Enterprises (Government of India) guidelines and applicable to the Company on the Closing Date or (b) the terms of the voluntary retirement scheme as applicable to the Company on the Closing Date."

Reserved price of Jessop and Company Ltd.

1481. SHRI DIPANKAR MUKHERJEE:
SHRIMATI CHANDRA KALA PANDEY:

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether replacement cost of Jessop and Company Ltd. (JCL) assets was estimated to be Rs. 140.94 crore as on 31st March, 1995 as per L.B. Jha's report on stock audit;

(b) whether the cost of a similar greenfield project was estimated to be Rs. 350 crore as per the same report;

(c) if so, whether the above cost was taken into consideration before fixing the reserve price of JCL for disinvestment; and

(d) if not, the reasons therefor?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (d) In every case of disinvestment, the Advisor estimates the valuation of the company based on standard methodologies including the asset valuation method. This estimate is, however, made as on a date close to the time of disinvestment. In the

case of Jessop as well, since the disinvestment exercise was taken up in 2001, DEVCON Engineers and Valuers undertook fresh exercise of valuation. The Replacement value as on 31.3.2001 worked out by them is Rs. 194.42 crore. This was taken into consideration before fixing the reserve price of JCL. As per L. B. Jha's report made pursuant to a BIFR proceeding in 1995, the total net replacement cost of JCL's assets (net of depreciation) was worked out as Rs. 140.94 crore as on 31.3.1995.

The networth of JCL as on 30.9.2001 is (−) Rs. 290.84 crore as a result of huge losses accumulated over past several years totaling to Rs. 372.37 crore. Therefore, in the case of JCL, the relevant methodology is Discounted Cash Flow as in the case of strategic sale on a 'going concern' basis.

The asset valuation method has relevance only for ascertaining the winding up scenario. In this methodology, therefore, the realisable value would be adjusted for the amount payable to the Secured and Preferential Creditors (Rs. 115.35 crore approximately for JCL) and the balance left thereafter, distributed amongst all other Unsecured Creditors (Rs. 324.93 crore approximately). Thereafter, the net realisation to Government in the winding up scenario is estimated and compared with the cost to the Government in case of revival of the Company through strategic sale after factoring in the bid price. This estimation clearly indicates the cost of revival through strategic sale to be less than the cost of closure.

Disinvestment of MUL

1482. SHRI GAYA SINGH:
SHRI J. CHITHARANJAN:
SHRIMATI VANGA GEETHA:

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government have initiated the process of disinvestment of Government equity in the Maruti Udyog Ltd.;

(b) if so, the details and progress thereof; and

(c) the present Government stake in the company and the extent of the proposed dilution of their holding and at what price?